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17 March 1958

MEMORANDUM FOR: All Personnel, ERA

FROM: Chief, Economic Research Area

SUBJECT: Redeployment of Economic Research Personnel  
Strength in Response to New Priority Research  
Requirements

1. Soviet success in the development of long-range missiles is an established fact of the gravest significance to the national security of the United States. While Soviet progress in this field has been an object of attention by the U.S. intelligence community for a number of years, the dramatic developments of recent months have stimulated increased efforts on missiles intelligence as a matter of highest national urgency. The priorities within the Economic Research Area have been directly affected by these developments.

2. In early February 1958, after thorough review of the problem, the AD/RR forwarded to the DD/I a request for 20 additional positions for direct augmentation of our economic research activities in the field of missiles. These additional positions proved to be unavailable and the AD/RR was directed by the DD/I to obtain this needed additional strength from ORR's own resources.

3. Accordingly it has been necessary to reexamine the activities of the Economic Research Area in the light of the changed priorities and to identify both individual and organizational functions which could be eliminated, cut back or streamlined. This has now been done. Authority for final decision does not rest in the Economic Area but I am making certain recommendations to the AD/RR with the full concurrence of the four economic research division chiefs, which in our judgment will permit the shift of personnel strength to the missiles research program without disrupting the performance of our essential responsibilities.

4. These recommendations will include the following principle lines of action:

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- a. Request certain selected and qualified analysts to transfer into the Missiles Branch from other components where they are now assigned; these selections to be announced at an early date.
- b. Abolish the Organizations and Management Branch, D/S; primary responsibility for Arctic Research to be transferred to the Geographic Area of ORR, and other essential activities relating to organizations and management to be transferred to the regional branches of D/A.
- c. Abolish the Weapons and Ammunition Branch of D/I; responsibilities related to conventional weapons costing to be transferred to I/ME.
- d. Abolish the Consumer Industries Branch of D/I; responsibility for light industries to remain in D/I and activities relating to consumer welfare to go to D/A.
- e. Abolish the Medium Machineries Branch and Transport and Heavy Industries Branch of D/I, retaining the responsibilities of these units in the Industrial Division but realigning their activities and functions into two new Branches, tentatively designated as the Producers Equipment Branch and the Manufacturing Sectors Branch.
- f. Abolish the Population and Manpower Branch of the Analysis Division, retaining its functions as part of:
- g. A new branch to be created in the Analysis Division which will be charged with responsibility for population work and for consumer welfare research formerly handled by I/CI.
5. Individual analysts in all the components affected by these proposed organizational shifts should be aware that they will be reassigned to responsibilities consonant with their experience and work preferences where possible. No reduction of personnel strength is contemplated for the Area as a whole. Provision for all hands to continue to work on essential tasks is being made, though these in some cases will be different from present assignments. Lists indicating proposed new assignments for all affected personnel will be forthcoming in the next few days.

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